

MEMORANDUM OF LEASELEASE

On the 9 day of February, 1989, a Lease was executed between LEWIS W. SOWLES, SR., dba THE SEVEN SPRINGS RANCH, c/o 622 Glen Street, Edmonds, Washington 98020 (Lessor) and WILLIAM J. RAGNUS, JR., and GERALDINE J. RAGNUS, husband and wife, whose address is Route 2, Box 783, Klamath Falls, Oregon, 97603 (Lessee).

TERM

The Lease is for a term until December 31, 1989.

DESCRIPTION

The Lease is of real property situated in Klamath County, State of Oregon, as described on Exhibits "A" and "B" attached hereto.

PURPOSE

The use of the land leased is solely for agricultural purposes.

Dated: 2-6, 1989.

Lewis W. Sowles, Sr.
LEWIS W. SOWLES, SR., dba
THE SEVEN SPRINGS RANCH

William J. Ragmus Jr.
WILLIAM J. RAGNUS, JR.

Geraldine J. Ragmus
GERALDINE J. RAGNUS

'89 FEB 16 AM 9 33

1 STATE OF WASHINGTON)
 2 ss.
 3 COUNTY OF SNOHOMISH)

4 I certify that I know or have satisfactory evidence that
 5 LEWIS W. SOWLES, SR., is the person who appeared before me and
 6 that said person acknowledged that he signed this instrument and
 7 acknowledged it to be his free and voluntary act for the uses and
 8 purposes mentioned in the instrument.

9 Dated: 2-6-89.

Nancy E Souler
 10 NOTARY PUBLIC in and for the
 11 State of Washington,
 12 Residing at Edmonds
 13 My Commission Expires: 10-22-92

14 STATE OF OREGON)
 15 ss.
 16 COUNTY OF KLAMATH)

17 I certify that I know or have satisfactory evidence that
 18 WILLIAM J. RAJNUS, JR., and GERALDINE J. RAJNUS, are the persons
 19 who appeared before me and that said persons acknowledged that
 20 they signed this instrument and acknowledged it to be their free
 21 and voluntary act for the uses and purposes mentioned in the
 22 instrument.

23 Dated: 2/9/89.

Robert D. Eadie
 24 NOTARY PUBLIC in and for the
 25 State of Oregon,
 26 Residing at *Kennewick, WA*
 My Commission Expires: 7/26/91

MEMORANDUM OF LEASE,
 Page 2.

Reb: RICHARD D. EADIE
 ATTORNEY AT LAW
 115 Third Avenue North
 P.O. Box 187
 Edmonds, Washington 98020-0187
 (206) 771-5100

Order No.: 19632-D

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

All of the following described real property situated in Klamath County, Oregon, to wit:

Lots 4, 5, 6 and 7, the E1/2 SW1/4 and the W1/2 SE1/4 of Section 6, Township 40 South, Range 12 East of the Willamette Meridian.

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 of Section 1 of Township 40 South, Range 11 East of the Willamette Meridian, Less 7.61 acres, conveyed to Klamath County, Oregon, by deed dated February 20, 1939 recorded March 18, 1939 in Deed Volume 121, page 110, Records of Klamath County, Oregon.

EXCEPTING a parcel of land situate in Section 1, Township 40 South, Range 11 East of the Willamette Meridian and Section 6, Township 40 South, Range 12 East of the Willamette Meridian, lying Easterly of the Malin to Bonanza Highway and being more particularly described as follows: Beginning at a Brass Cap Monument marking the Northeast corner of Section 1, Township 40 South, Range 11 East of the Willamette Meridian and the Northwest corner of Section 6, Township 40 South, Range 12 East of the Willamette Meridian; thence North 89 degrees 38 feet 05" East 351.00 feet to a 5/8" iron pin marking the Northeast corner of Lot 4 in said Section 6; thence along the Easterly line of Lots 4 and 5 in said Section 6, South 0 degrees 14' 45" West 2717.00 feet to a 5/8" iron pin and existing East-West fence line; thence along an existing fence line West 339.55 feet, South 77 degrees 50' 15" West 217.85 feet, North 71 degrees 15' 05" West 547.30 feet, North 50 degrees 17' 15" West 72.15 feet, and North 38 degrees 12' 10" West 233.05 feet, more or less, to a point on the Easterly right-of-way line of the Malin to Bonanza Highway, as the same is presently located and constructed; thence North 13 degrees 48' 45" East along said Easterly right-of-way line 2426.8 feet, more or less, to a point on the North line of Section 1, Township 40 South, Range 11 East of the Willamette Meridian; thence Easterly along the Section line 351.7 feet, more or less, to the point of beginning.

JUL

Lots 15 and 16 in Section 1 of Township 40 South, Range 11 East of the Willamette Meridian, lying Easterly of Bonanza to Malin Highway, LESS AND EXCEPTING the following described parcel: A piece or parcel of land containing 1.73 acres, more or less, and being a portion of Lots 15 and 16, Section 1, Township 40 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon, and more particularly described as follows: Beginning at a point in the Easterly boundary line of the right of way of Bonanza to Malin Highway, as the same is now located and constructed, said right of way line being 40.0 feet distant at right angles Southeasterly from the center line of said highway from which point the Northeast corner of said Section 1, bears North 18 degrees 14' East 4594.8 feet distant, and running thence South 88 degrees 05 1/2' East 330.76 feet; thence South 2 degrees 33 1/2' West 219.42 feet, thence North 86 degrees 47' West 373.47 feet, more or less, to a point in said right of way line, thence North 13 degrees 58' East along said right of way line 215.59 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM a parcel of land situated in portions of Government lots 15 and 16 in Section 1, Township 40 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

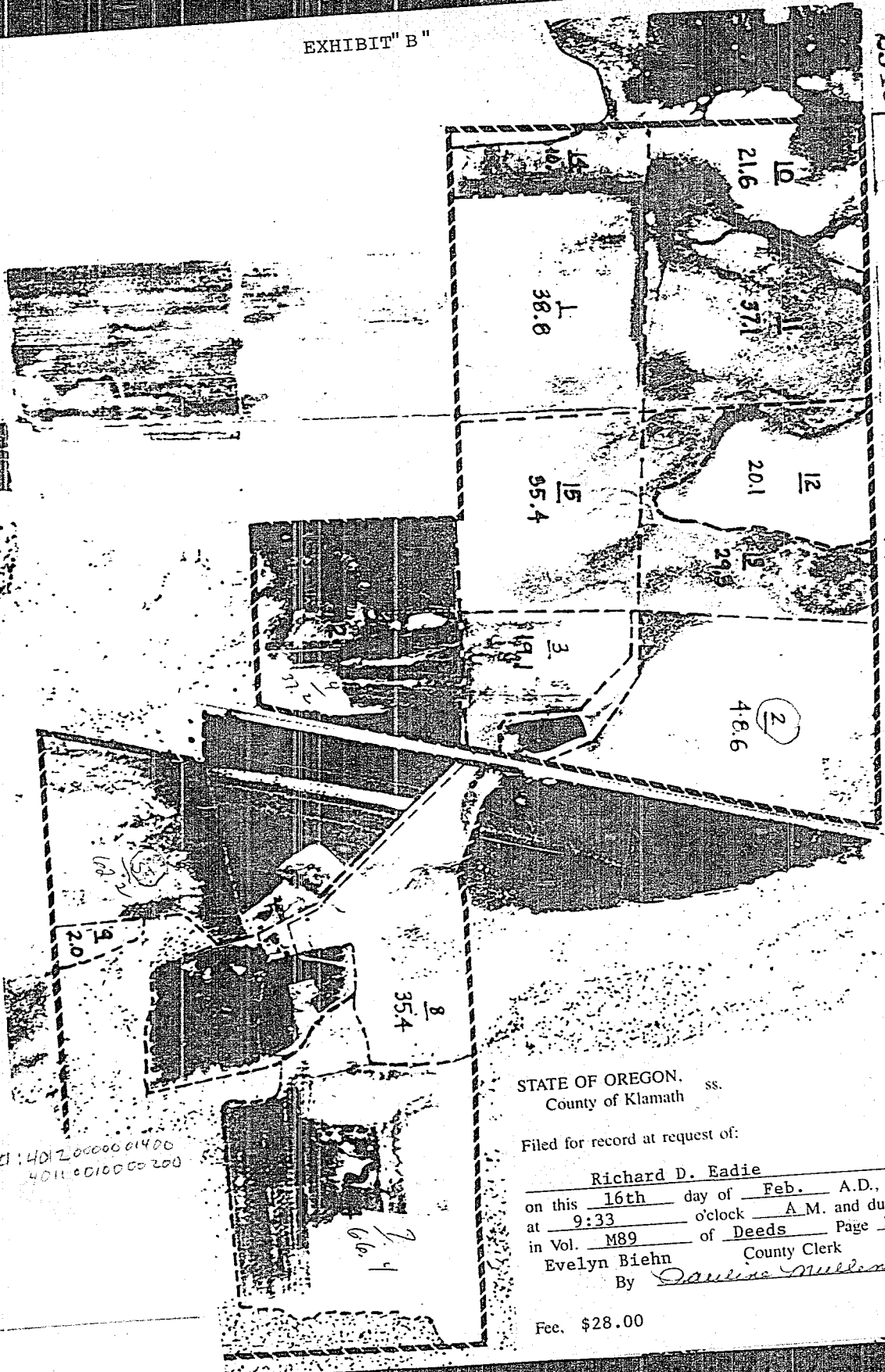
Beginning at a point on the Easterly right of way line of the Bonanza to Malin Highway as the same is presently located and constructed, said right of way line being 40.0 feet distant at right angles Southeasterly from the centerline of said highway from which point the Northeast corner of Section 1, Township 40 South, Range 11 East of the Willamette Meridian bears North 18 degrees 02' 30" East 4809.8 feet distant, said point being at the Southwesterly corner of the Bedfield Cemetery property; thence South 86 degrees 47' East along the Southerly boundary of said cemetery 340.0 feet to a point; thence South 13 degrees 58' West 822.2 feet, more or less, to the South line of Government Lot 15; thence along the South line of said Lot 15 South 88 degrees 42' West 346.3 feet, more or less, to a point on the Easterly right of way line of the Bonanza to Malin Highway; thence along said right of way line North 13 degrees 58' East 850.0 feet, more or less, to the point of beginning.

Tax Account No.: 4012 00000 01400
4011 00100 00200

Including: 1 GE 50HP Motor and Cornell Pump SN:42689
1 60 HP Motor and Johnston Turbine pump SN:JC2546

EXHIBIT "B"

2946



STATE OF OREGON, ss.
County of Klamath

Filed for record at request of:

Richard D. Eadie
on this 16th day of Feb. A.D., 19 89
at 9:33 o'clock A.M. and duly recorded
in Vol. M89 of Deeds Page 2942
Evelyn Biehn County Clerk
By Douglas Mullins Deputy.

Fee. \$28.00

TAC: 40120000001400
40110010000200

28.00